



U.S. Department of Justice
United States Attorney
Western District of New York

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PRESS RELEASE

January 14, 2005

RE: UNITED STATES v. EDWIN A. KANE a/k/a ANDY KANE

United States Attorney Michael A. Battle announced today that EDWIN A. KANE a/k/a ANDY KANE, age 68, of 2260 Lake Avenue, Rochester, New York, pled guilty before Hon. Charles J. Siragusa, United States District Judge to Count 5 of the Indictment, charging him with equity skimming, in violation of Title 18, United States Code, Section 1709-2, carrying a maximum penalty of 5 years imprisonment, a fine of approximately \$1.4 million pursuant to the alternative fine provision of Title 18, United States Code, Section 3571(d), or both.

Assistant U.S. Attorney Tiffany H. Lee, who handled the case, stated that from in or about 1996 and continuing through in or about 2003, the defendant EDWIN A. KANE, a/k/a ANDY KANE, through his business Hacienda Holding Corp., purchased at least 20 homes in Rochester, New York, by fraudulently assuming mortgages guaranteed by the Federal Housing Administration and

the United States Department of Housing and Urban Development. Kane then rented these homes and collected the rent money for himself and his businesses, Hacienda Holding Corp., Allstate Rental Corp. and Andy Kane Realty. Within a couple of months, Kane would purport to transfer the homes to third-parties he knew would not (or could not) pay the mortgages without the benefit of the rental income from the homes. In the meantime Kane would continue to collect the rental income from the homes for himself and his businesses. The mortgages would then go into default within one year subsequent to Kane's purchase although the County Clerk records would not show Kane as being the last person holding the mortgages. As a result, the Federal Housing Administration and the United States Department of Housing and Urban Development, as insurers of the mortgages, foreclosed on the homes and suffered a loss of over \$700,000.

The plea was the culmination of a joint investigation on the part of the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Ruth Ritzema, the Federal Bureau of Investigation, under the direction of Peter Ahearn, and the United States Postal Inspection Service, under the direction of William E. Kezer.

Sentencing is scheduled for April 19, 2005, at 2:30 p.m. in front of Hon. Charles J. Siragusa, United States District Judge.